

REAL ESTATE COMMISSION  
Professional & Vocational Licensing Division  
Department of Regulatory Agencies  
State of Hawaii

MINUTES OF MEETING

Date: Thursday, May 25, 1972

Place: Penthouse, Department of Planning & Economic Development  
1010 Richards Street, Honolulu, Hawaii

Present: Douglas R. Sodetani, Chairman  
Herbert S. Isonaga, Vice Chairman  
Mrs. Mary Savio, Member  
Louis Cannelora, Member  
John D. Texeira, Member  
William H. C. Young, Member

Sidney K. Ayabe, Deputy Attorney General  
Ben Matsubara, Deputy Attorney General  
Dick H. Okaji, Licensing Administrator  
Yukio Higuchi, Executive Secretary  
Miss Peggy Goo, Stenographer

Dr. Edward Laitila, College of Business Administration, U.H.  
Wesley Park, Director of Small Business Management, College of  
Business Administration, U.H.  
David M. Tara, Tara School of Real Estate  
George Morris, Jr., Executive Vice President, Honolulu Board of  
Realtors and Hawaii Association of Real Estate Boards

Absent: Hiromu Yamanaka, Member

Call to Order: There being a quorum, Chairman Sodetani called the meeting to  
order at 10:10 a.m.

Minutes: Upon motion, the minutes of the April 27, 1972 meeting were approved  
with the following correction:

Correct the last paragraph under the subheading of  
"Narello Western District Meeting ---- June 15-17,  
1972", on Page 5 to read:

"The money for this meeting will come from  
the Real Estate Education Fund."

Committee  
Reports:

Attorney General's Report

Sidney Ayabe, Deputy Attorney General, reported that two complaints  
have been filed in the Circuit Court which may result in recovery  
against the Real Estate Recovery Fund. The complaints pertain to  
the matter of Matt N. Masuoka vs. Floyd T. Kaneshiro (Civil No.  
36272), and Edward M. Eben and Hattie M. Eben vs. Weymouth Properties  
Inc., and Ann Grubb, Ltd. (Civil No. 35160).

Mr. Ayabe mentioned that the Attorney General's Office has intervened for Kaneshiro to prevent default judgment and the defense will be based on the Statute of Limitation on the violation. Upon motion, the Commission accepted Mr. Ayabe's recommendation to proceed in defending this action.

In the matter of the complaint against Ann Grubb, Ltd., Mr. Ayabe advised the Commission that he has responded to the notice given to the Commission by informing the attorney for the Plaintiffs that the notice to the Commission had not complied with Section 467-18(a), Hawaii Revised Statutes, in that the Court action was commenced on October 5, 1971, but the Commission was not notified of the commencement of the action until May 11, 1972. He suggested that the Commission need not intervene in this action; however, he suggested that an investigation be conducted on the financial capability of Ann Grubb, Ltd.

Chairman Sodehara ordered that an investigation be conducted for possible misrepresentation by Ann Grubb, Ltd., and to determine the financial capability of Ann Grubb, Ltd.

Mr. Ayabe also reported that he has returned investigation case folder RE-425 on Masao Shintani to the Commission with the recommendation that the Commission determine whether the complainant plans to pursue this matter. He felt that there were good grounds to proceed on the complaint, but it was unfair to give notice of hearing to the respondent and not prosecute the matter with some expediency. Therefore, he suggested that the Commission should proceed immediately to a hearing or dismiss the complaint for want of cooperation on the part of complainant.

Isonaga moved and Mrs. Savio seconded to subpoena the accountant or an individual of the complaining firm to provide proper testimony to proceed with this case. Motion unanimously carried.

Mr. Ayabe advised the Commission that our subpoena does not extend to another state. Therefore, we can only make a strong request to the firm and the Commission may have to pay for the expense of bringing the witness to Honolulu. The Executive Secretary was directed to follow through with the matter.

Mr. Ayabe notified the Commission that he was leaving the Attorney General's Office on June 1, 1972, and he introduced Ben Matsubara, Deputy Attorney General, who will serve the Commission beginning June 1, 1972. Upon motion, the Commission went on record expressing their appreciation for his outstanding service to the Commission and wished him success in his future endeavor.

#### Educational Task Force Committee

Committee Chairman William Young reported that his Committee had meetings on May 11 and 18, 1972, to review Dr. Laitila's

draft on Implementation of Real Estate Education Program, and discussed the forms pertaining to accreditation. Young reported that the Committee raised the question as to the certification of the 43 persons who completed the April 1972 Instructors Institute at the University of Hawaii.

Mrs. Savio moved and Isonaga seconded to grant Instructor's Certification to all 43 persons accordingly to that portion of the Institute course they completed. Those completing only the salesmen portion to be certified as salesmen instructor. Motion unanimously carried.

Isonaga moved and Cannelora seconded that during the early stages of implementing the real estate educational program, the Commission may grant salesmen and/or brokers instructor's certification to applicants who had not enrolled in the April 1972 Instructors Institute, provided said applicant is found to be qualified by the Commission. Motion unanimously carried.

Doctor Laitila distributed his draft of proposed checklists of materials for instructor certification and for accreditation of institutions for real estate salesmen prelicense course for review and approval. Chairman Sodemani referred the matter to the Education Task Force Committee with direction and authorization to prepare final checklists for the Commission.

Young announced that the Education Task Force Committee will meet at 1:30 p.m., on June 1, 1972, at a place to be selected by the Executive Secretary.

#### Progress Payment for Project #4

Doctor Laitila's invoice of \$2,000.00 representing the first progress payment on Project #4 was presented to the Commission for consideration.

Mrs. Savio moved and Texeira seconded to approve the first progress payment of \$2,000.00 to the consultant, Dr. Edward Laitila. Motion unanimously carried.

#### Resident-Manager Study Committee

Committee Chairman Mary Savio reported that the newly appointed committee headed by Larry Bortles had not called a meeting of his new committee since the Commission's April 27th meeting.

Chairman Sodemani read Oswald Stender's letter of April 26, 1972 and the Executive Secretary was requested to file the letter.

The Executive Secretary was directed to write to Larry Bortles to remind him that the Commission is waiting for his committee to submit any positive recommendations to the Commission.

Recovery Fund Report

The Executive Secretary distributed copies of report on the Recovery Fund as of April 30, 1972. The Executive Secretary was directed to check on the status of "Refunds and Bad Checks".

Business Out  
of Minutes:

Rules and Regulations Amendments

The Executive Secretary reported that the amendments to the Commission's rules and regulations have been approved by the Governor and will go into effect on May 28, 1972. Copies of the amendments were distributed to the Commission members.

"Characteristics Study of Real Estate Licensees" (Project #1)

Mrs. Savio moved and Isonaga seconded to accept with approval the final report on the characteristics study of real estate licensees (Project #1) which the Commission received at the April 27, 1972 meeting.

The Executive Secretary reported that he has contacted Dean Ralph Hook for a final accounting on Project #1, and upon receipt of the final accounting this project can be concluded.

NARELLO Western District Meeting - June 15-17, 1972

The Executive Secretary reported that the travel request to send two representatives of the Commission to the Western District Meeting is being processed for the Governor's approval, but to date we have not received any reply.

Educational Testing Service

Dick H. Okaji gave a progress report on his negotiations with E.T.S. He distributed copies of his draft of (1) Application for Real Estate Salesmen Examination; (2) Application for Real Estate Salesmen License, and (3) Recommendations for Revision to Real Estate Commission's Rules and Regulations.

Upon motion, the Commission unanimously approved the drafts of Application for Real Estate Salesmen Examination and Application for Real Estate Salesmen License, as corrected at this meeting. Both application forms will go into effect on July 1, 1972.

Dick Okaji was requested to come up with revised proposed amendments to the Commission's rules and regulations pertaining to E.T.S. to be presented at the Commission's June 1972 meeting.

Future Examination Schedule

Upon motion, the Commission unanimously adopted the following future examination dates:

	1972	1973 (E.T.S.)			
Salesmen		January 4th Wed.	April 4th Wed.	July 4th Wed.	October 4th Wed.
Brokers	October 5th Tues. Old Exam		April 4th Tues.	July 4th Tues.	October 4th Tues.

Investigations: RE-398 Mrs. Edmund (Wattie Mae) Hedemann

John Texeira reported that the formal hearing on Wattie Mae Hedemann was concluded on May 8, 1972, and the Hearing Officer's report and recommendations have been submitted to the Executive Secretary. The Executive Secretary advised the Commission that copies of the report will be forwarded to Respondent and his counsel, the Commission members and the Attorney General. The Respondent must be given 15 days to file his exceptions to the recommendations before the Commission can take action on the matter.

RE-465 Earl J. Hanson

Upon motion, the Commission accepted and approved the Complaint Review Committee's recommendation that action on this matter be deferred pending further investigation.

RE-466 Jacques Van Belle

An informal conference on this matter was held on May 25, 1972 at 9:30 a.m., before the whole Commission. Van Belle and his former principal broker, Hugh Menefee, had appeared to answer questions posed by the Commission. Van Belle was verbally reprimanded for the following:

1. Opening a client's account in his own name and not placing the client's funds in his broker's client's account.
2. Not advising his principal broker of his rental agreement with Mrs. Fujiko Chamberlain.

Following the conference, the Commission requested that further investigation be conducted by the Investigator to get a copy of the advertisement that was run by Van Belle through Hugh Menefee, Inc., and confirmation from Hugh Menefee, Inc., that Van Belle has reimbursed the corporation for the advertisement.

No action was taken on this matter pending further investigation.

RE-467 Acadia Management Corp., Ltd.

This matter was deferred in previous meetings pending the resolution of the Resident-Manager problem. Since the problem has not been resolved as yet, no action was taken on this matter.

RE-471 Martin C. Da Mate

Upon motion, the Commission accepted with approval the recommendations of the Complaint Review Committee that this matter be set for a formal hearing upon receipt of a supplemental investigation report.

The Chair appointed Louis Cannelora and Mrs. Mary Savio as hearing officers.

RE-475 Lear Siegler Properties, Inc.

Upon motion, the Commission accepted with approval the recommendation of the Complaint Review Committee to defer action pending further investigation into the matter.

RE-477 Tropic Shores Realty, Ltd. - Gwen Bundy

Isonaga moved and Young seconded to accept and approve the recommendation of the Complaint Review Committee that the complainant be advised that the Commission found no cause for complaint, inasmuch as recovery of the advanced funds should have been taken care of at the time the contract between Kessler (seller) and Wong (buyer) transaction was being drawn.

Motion unanimously carried.

RE-479 Masao Shintani

Upon motion, the Commission accepted with approval the recommendation of the Complaint Review Committee to proceed to a formal hearing against Masao Shintani for misleading the purchasers and for misrepresentation.

Appointed as hearing officers were Hiromu Yamanaka and Douglas Sodehani.

RE-480 James Reed

Upon motion, the Commission accepted with approval the recommendation of the Complaint Review Committee to have James Reed and his principal broker, David Lewis, to appear for an informal conference with the Complaint Review Committee to answer some questions at the next Committee meeting.

Con-101 Hawaii Capital Funds, Ltd.

The Executive Secretary reported that the complainant has not received a refund of his moneys as yet. Upon unanimous consent, the Commission instructed the Executive Secretary to allow more time for the parties to resolve this matter.

New Business:      LicensingCorporation:

World Marketing-Hawaii, Ltd. - 222 Kalakaua Ave., Ste. 1315, Hon.  
     William J. McCarthy                      PB  
 Doug Carty Realty, Inc. - 25 Kaneohe Bay Drive, Ste. 203, Kailua  
     Douglas M. Carty                      PB  
 Surf Realty, Inc. - 3555 Harding Avenue, Suite 1, Honolulu  
     Betty Y. Kimura                      PB  
 Koa Realty, Inc. - 94-366 Pupupani Street, Room 208, Waipahu  
     Herman Y. M. Leong                      PB  
 Hawaiian Group Realtors, Ltd. - 745 Fort Street, Ste. 1804, Hon.  
     William G. Stoner                      PB  
 Hawaii International Properties Corp. - 2255 Kalakaua, Ste. 3210, Hon.  
     Marie Pepe Burns                      PB  
 Island Financial Service Corp. - 909 Kapiolani Boulevard, Honolulu  
     Frederick C. Peterson                      PB  
 The Land Mart, Inc. 333 Queen, Suite 408, Honolulu  
     Jack E. Chaffee                      PB  
 Fidelity Land & Management Corp. - 745 Fort St., Ste. 300, Honolulu  
     Axwl Ornelles                      PB  
 Holomua Realty, Inc. - 1083 South Beretania Street, Honolulu  
     Leimomi C. Dowson                      PB  
 Munoz-Beppu Realty, Inc. - 1969 Wells Street, Wailuku, Maui  
     Hiroshi Beppu                      PB

Upon motion, the Commission approved the licensing processing of the above as tentatively approved by the Licensing Administrator, with the exception of Munoz-Beppu Realty, Inc., 1969 Wells Street, Wailuku, Maui. The Executive Secretary was directed to approve the processing of Munoz-Beppu Realty, Inc., subject to receiving written confirmation of the Planning Department, County of Maui, approving the business location.

Branch Office:

Munoz-Beppu Realty, Inc. BR-1 - 261 Dairy Road, Kahului, Maui  
     Frank Munoz                      BIC  
 Hawaiiana Group Realtors, Ltd. BR-1 - 116 Hekili Street, Kailua  
     Iris Riber                      BIC

Upon motion, the Commission approved the licensing processing of the above as tentatively approved by the Licensing Administrator.

DBA:

Island Shores Realty - 1750 Kihei Road, Kihei, Maui  
     Pauline T. Haas                      dba  
 Country Properties - 142 Hana Highway, Box 298, Paia, Maui  
     Winston T. Watanabe                      dba  
 Freelance Realty - 949-1 McCully Street, Honolulu  
     Abraham Song                      dba

DBA (Cont'd)

Roka Realty - 250 Ward Avenue, Room 215, Honolulu  
 Roger Y. F. Ching dba  
 Andy C. Nicoll, Realtor - 1146 Union Street, Honolulu  
 Andrew C. Nicoll dba  
 Florida Properties - 1860 Ala Moana, Suite E, Honolulu  
 Robert A. Boyd dba  
 Leeward Realty Co. - 710 South King Street, Honolulu  
 Clifford Y. K. Yoshida dba

Upon motion, the Commission approved the licensing processing of the above as tentatively approved by the Licensing Administrator, with the exception of Winston T. Watanabe, dba Country Properties. The Executive Secretary was directed to approve the processing of Country Properties subject to receiving written confirmation of the Planning Department, County of Maui, approving the business location.

1972  
Legislation:

S. B. No. 1060 - Relating to Real Estate Brokers and Salesmen

The Commission was advised that S. B. No. 1060 was approved by the Governor on May 16, 1972.

S. B. No. 1193 - Relating to Horizontal Property Regimes

The Commission was advised that S. B. No. 1193 was approved by the Governor on April 24, 1972.

Correspondence: Letter from the Hawaii Association of Real Estate Boards

In a letter dated May 12, 1972, George "Red" Morris, Jr., requested the Commission make available the names and addresses of successful real estate examinees to the Realty Board for distribution to their members. Mr. Sodehani reported that he has been advised by the Licensing Administrator that many years ago the Department of Regulatory Agencies got a directive from the Governor's office not to release any list of successful examinees to any organization or group.

Following discussion, Chairman Sodehani directed that all requests for a list be forwarded to the Chairman or Vice Chairman of the Commission.

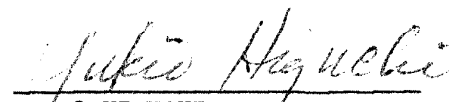
Miscellaneous: None

Next Meeting

Date: Thursday, June 29, 1972 at 9:30 a.m.

Adjournment: There being no further business, Chairman Sodehani adjourned the meeting at 4:05 p.m.

Recorded by

  
 YUKIO HIGUCHI  
 Executive Secretary